MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION

Manitoba
Agriculture

Annual Report 1989-1990

Manitoba Agricultural Credit Corporation

91-05353/

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant-Governor of Manitoba

Your Honour:

I have the honour to submit herewith the Report of the Manitoba Agricultural Credit Corporation for the period April 1st, 1989 to March 31, 1990.

Your obedient servant,

Glen M. Findlay
Minister of Agriculture

MACC
MANITOBA AGRICULTURAL CREDIT CORPORATION
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Manitoba
Agriculture

Honourable Glen M. Findlay
Minister of Agriculture
165 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Findlay:

I have the honour to herewith submit the Annual Report of The Manitoba Agricultural Credit Corporation and the Financial Statements for the fiscal year ending March 31, 1990.

Yours respectfully,

Robert E. Manns
Chairman
Manitoba Agricultural
Credit Corporation

Table of Contents

TITLE	PAGE
MACC Board of Directors and Officers	8
Financing of the Corporation	9
Financial statements	9
Balance Sheet	9
Statement of Revenue and Expenditure	9
Operations Review	9
Loan Activity	9
Direct Loans	10
Refinancing Program	10
Part-time Farmer Program	10
Corporate and Co-operative Loans	10
Stocker Program	10
Crown Land Loans	10
Manitoba Beef Stabilization and Marketing Plan Loans	10
Manitoba Interest Rate Relief Program	10
Beef Producers Income Assurance Plan	11
FarmStart Program	11
Guaranteed Loans	11
Land Lease Program	11
Fish Farming Loans	11
Fisherman's Loans	11
MACC Summary of Activity	12
Tables	
I Approved Direct Loans by Purposes	13
II Approved Direct Loans by Age Groups	13
III Summary of Programs for Five Years Ended March 31, 1990	14
IV Summary of Programs - Eastern Region	15
V Summary of Programs - Eastern Region	16
VI Summary of Programs - Central Region	17
VII Summary of Programs - South Western Region	18
VIII Summary of Programs - North Western Region	19
Report of Provincial Auditor's Office	21
Financial Statements and Notes	23-38

The Manitoba Agricultural Credit Corportion

Board of Directors

Robert E. Manns	Chairman
Grant Fotheringham	Vice-chairman
Morris Butcher Q.C.	Board Member
Fred Betcher	Board Member
Gail Watson	Board Member
Patricia Barry	Secretary

Officers

Neil A. Potter	General Manager
J. David Bilsland, C.A.	Director, Finance And Administration
Douglas A. Parnell	Director, Credit Administration (until November 13, 1989) Vacant from November 14, 1989 to March 31, 1990
Edwin R. Poore	Director, Program Planning, Development and Evaluation
Albert W. Todosichuk	Director, Field Operations
Ty Aho	Director, Fisherman's Loans
David I. Victor, Q.C.	Legal Counsel

Financing of the Corporation

Beginning in 1959, its first year of operation, the Corporation has borrowed its capital requirements from the Province of Manitoba. The capital funds at the time remained with the Corporation to be re-used for lending purposes and the interest charges on this debt was paid annually to the Province.

In 1977, arrangements were made to repay these capital funds together with fixed interest charges over an amortization period as consistent as possible with the term over which these funds were loaned to farmers. Subsequent capital advanced requirements and terms of repayment are determined annually based on the lending activity of the Corporation for that year. Because of the "open" nature of its loans to farmers, the Corporation is also allowed to make prepayments on the capital advances to the extent of the prepayments received from its clients.

Financial Statements

Balance Sheet

Deficit Account

Fiscal 1985--86 brought about a change in the method of funding provided for the Corporation's operations by the Province. This change eliminated any further funding of the Corporation's allowance for doubtful accounts and required a return to the Province of funds provided for this allowance prior to March 31, 1985. During 1987-88, the same change was made to the operating funding under the Fisheries Act.

Because of this funding change, the Corporation continues to operate from an accumulated deficit position of $7,421,170 in the farm program, which is essentially comprised of the allowance for doubtful accounts total of $10,324,041 at March 31, 1990 less the reserve for working capital of $2,902,389 at March 31, 1985.

Similarly, the Fish Program accumulated deficit of $414,861 is comprised of the allowance for doubtful accounts of $443,150 less the reserve for working capital at March 31, 1987 or $28,289.

Statement of Revenue and Expenditure

The net costs of operation of the Farm Programs of the Corporation were $9,172,213 (expenditures of $30,829,221 less revenue of $21,657,008) in 1989-90 as compared with $11,210,591 (expenditures of $34,543,093 less revenue of $23,332,502) in the previous fiscal year, the net decrease being primarily due to a decrease in bad debt costs.

To offset these net costs of operation, the Province provided $15,509,472 ($6,207,512 from appropriations of the Department of Agriculture and $9,301,961 from the Department of Finance valuation account) resulting in an operating excess of revenue over expenditure of $6,337,259 for 1989-90. In the Fishermen's Loans Program, the net costs of operation of $681,546 (expenditures of $1,444,421 less interest revenue of $762,875) were offset by funding of $664,999 ($646,905 from appropriations of the Department of Natural Resources and $18,094 from the Department of Finance valuation account) resulting in an operating excess of expenditure over revenue of $16,547 as compared to an excess of expenditure over revenue of $4,404 for the previous fiscal year.

Operations Review

Active MACC Accounts
As At March 31, 1990

1.	Direct Loans	6,053
2.	Mortgage Purchase Accounts	277
3.	Corporate and Co-operative Loan Accounts	43
4.	Crown Land Purchase Accounts	112
5.	Stocker Accounts (includes 10 Manual Stocker Loans)	152
6.	Manitoba Beef Stabilization Accounts	39
7.	Refinancing Program - Regular	172
8.	Refinancing Program - Corporate	14
9.	Manitoba Mediation Board Loans	46
10.	Part-time Farmer Accounts	63
	Ex-Part-time Farmer Accounts	9
11.	Manitoba Interest Rate Relief Accounts	775
12.	Beef Producers Income Assurance Plan Accounts	38
13.	Guaranteed Loan Accounts	14
14.	Long Term Lease Accounts and Agreements for Sale	81
15.	Short Term Lease Accounts	280
16.	Farm Diversification Loan Accounts	148
17.	Emergency Fodder Loan Accounts	3
18.	Livestock Grant Accounts	3
19.	Disaster relief Accounts	7
20.	FarmStart Program Accounts	1
21.	Fish Farm Loan Accounts	1
22.	Fisherman's Loan Accounts	2,311
	Total:	10,642

Loan Activity

During the 1989-90 fiscal year, the Corporation's agricultural lending activities totalled $71,657,035, an increase of $20,059,709 from the previous year's total of $51,597,326.

As detailed in the Summary of Activity on Page 12 of this report, Direct Loans, Stocker Loans and the new Guaranteed Operating Loan Program were responsible for the overall increase offset by minor declines in Beef in the Refinancing Program. The Enhanced Young Farmer Rebate Program, announced in fiscal year 1989-90 and the new Guaranteed Operating Loan program, which was effective January 1, 1989, appear to have been well received by the Manitoba farming community.

Direct Loans

From its inception in July 1978, the current Direct Loan Program has generated a volume of $255.4 million with $156.9 million of this amount used for the purchase of farm land.

Of the $27.9 million in direct loans during 1989-90, 77% was used to purchase land, 17% for debt consolidation, 3% for permanent improvements, with the remaining 3% for equipment, livestock and other purposes. Young farmers were recipients of 96% of the direct loan volume.

Refinancing Program

This program, which was introduced during 1985-86, will provide a total of $20.0 million in loans to farmers or corporate farms which are in financial difficulty at a subsidized interest rate of 9 3/4% for the first five years of the loan. After expiry of the first five year term, the interest rate will be the Corporation's regular lending rate at the time the loan was made. During 1987-88, loan assistance to clients of the Manitoba Mediation Board was extended under this subsidized program.

Activity under this program for 1989-90 amounted to 3 approvals under the regular program totalling $437,992 and 3 approvals under the Mediation Board loan program of $149,500, bringing total approvals to March 31, 1990 to $13,374,613 for the regular program, $1,691,337 for the corporate program and $1,821,841 for the Mediation Board loans. A balance of $3,112,209 of the $20.0 million is still available for subsidized loans under this program.

Part-Time Farmer Program

This program was also introduced in the 1985-86 fiscal year to provide loans at regular lending rates to part-time farmers who intend to become principally occupied in farming within ten years.

Loan approvals for 1989-90 under the Part-time Farmer Program totalled $837,750 for 18 loans. To date, 54 loans have ben approved for a total dollar value of $2,786,450.

Corporate and Co-operative Loans

Six new loans totalling $381,862 were approved under this program for 1989-90.

From the inception of this program in July 1978, a total of 32 loans with a dollar value of $4,540,893 have been approved.

Stocker Program

The Stocker Program was designed to provide cattle inventory financing to qualified livestock producers and was introduced on July 9, 1975 by the Corporation. During the year, there were 111 loan approvals totalling $3,622,504 for the purchase of 6,931 head of cattle. From inception of this program to March 31, 1990, a total of 1,262 loans have been approved for 73,136 head of cattle with a value of $29,227,454.

Crown Land Loans

During 1980-81, the program was introduced to provide mortgage funds to lessees of Crown Lands to purchase the leased land from the Province. During 1989-90, six loans were approved in the amount of $42,610. Total volume under this program to March 31, 1990 has been 152 loans for $2,009,789.

Manitoba Beef Stabilization and Marketing Plan Loans

This program was introduced October 17, 1982 to provide financing for farmers who desired to raise their calves to a stocker or slaughter weight. Financing is available in the form of cash advances, custom feeding loans and loans for facility and production improvements.

During the year, 6 loans were approved in the amount of $175,600. Total loans approved under this program from its inception are 1,234 for $19,619,173.

This program was terminated during 1989-90 with the closing of the Manitoba Beef Commission.

Manitoba Interest Rate Relief Program

This program was introduced during 1981-82 to provide direct assistance for Manitoba farmers in financial difficulty due to high interest rates and to

provide financial counselling through the Department of Agriculture. Total payments to date have amounted to $12,153,444.

The program is now in the collection phase, with no new applications being accepted by the Corporation.

Beef Producers Income Assurance Loans

During 1980-81, this program was introduced to make possible termination of the Manitoba Beef Producers Income Assurance Plan agreements by those producers who wished to terminate their contracts but did not have funds available to pay out their contracts.

From inception of this program, 83 loans totalling $115,481 have been approved.

FarmStart Program

This program was introduced late in fiscal 1986-87. The program is designed to facilitate land purchases by beginning farmers by providing a guarantee to the retiring vendor of the property who in turn provides a loan at a subsidized interest rate to the purchaser.

One guarantee in the amount of $25,000 was approved in 1987-88.

Guaranteed Loans

On April 1, 1983, the Corporation's Guaranteed Operating Loan Program was introduced. Under this program, the Corporation guarantees 12.5% of the aggregate total guaranteed of $200,000 per loan and a $100,000,000 aggregate total to all participating lending institutions.

During the year, 522 loans totalling $34,109,300 were approved.

Land Lease Program

In October 1977, the Corporation discontinued accepting applications for sale of land to the Corporation for leasing purposes. Under the program, the Corporation had acquired a total of 223,600 acres at a cost of $22.6 million.

During 1989-90, 21 sales were made to lessees under the terms of the purchase option clause in the lease agreement. Fifty-one other sales were made by public tender.

Fish Farming Loans

This program was introduced in late1987-88 and was established to provide agricultural loans to finance the commercial raising of freshwater fish (Aquaculture) in either land locked dugouts and ponds or tanks. One loan, in 1988-89, for $88,650 has been approved under this program.

Fisherman's Loans

During the year, the Corporation approved 1,136 loans totalling $4,587,004. Total loans from inception of this program in 1969 have been $38,501,102 for 2,924 clients. A very high percentage of these fishermen are returning for supplemental loans every one or two years, indicating the success of the program in providing the revolving credit needs of Manitoba's commercial fishermen.

Fisherman's Loan Approvals - Total Province

For Five Years Ended March 31, 1990

	1985-86	1986-87	1987-88	1988-89	1989-90
Number	993	1046	953	1053	1136
$ Amount	2,595,025	3,492,234	3,485,032	3,918,693	4,587,004

MACC Summary of Activity

(Compared with Previous Fiscal Year)

	1988-89		1989-90	
	Number	Amount	Number	Amount
Direct Loans	282	14,290,064	475	27,948,470
Corporate & Co-operative Loans	3	393,775	6	381,862
Stocker Loans	83	2,568,734	111	3,622,504
Crown Land Loans	1	11,070	6	42,610
Manitoba Beef Stabilization Loans	69	1,293,800	6	175,600
Refinancing Program - Regular	13	1,209,162	3	437,992
- Corporate	-	-	-	-
Manitoba Mediation Board	11	866,891	3	149,500
Farm Start	-	-	-	-
Part-time Farmers	11	515,900	18	837,750
Fish Farms	1	88,650	-	-
TOTAL	474	21,238,050	628	33,596,288
Guaranteed Loans	412	26,300,800	522	34,109,300
Land Sales	91	4,058,476	99	3,951,447
TOTAL	977	51,597,326	1249	71,657,035
Fisherman's Loans - Administered by MACC for Department of Natural Resources	1,053	3,918,693	1136	4,587,004
TOTAL	2,030	55,516,019	2385	76,244,039

Table I

Approved Direct Loans by Purposes

Percentage Comparison

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1987-88	1988-89	1989-90	1989-90
	%	%	%	%	%	Amount
Purchase of Land by Borrower	75	64	67	84	77	21,491,215
Permanant Improvements, Buildings	3	4	6	5	3	901,330
Permanent Improvements, Land	-	-	-	-	-	6,000
Consolidation of Debts	16	28	22	10	17	4,779,799
Purchase of Livestock	4	3	4	1	2	596,413
Purchase of Equipment	1	-	-	-	-	-
Other Pruposes	1	1	1	-	1	173,713
Total:	100	100	100	100	100	27,948,470

Table II

Approved Direct Loans by Age Groups

Percentage Comparison

For the Five Years Ended March 31, 1990

	*Young Farmers					Others					Totals				
	1985-86	1986-87	1987-88	1988-89	1989-90	1985-86	1986-87	1987-88	1988-89	1989-90	1985-86	1986-87	1987-88	1988-89	1989-90
New Loans															
Number	220	247	157	210	321	10	5	11	10	15	230	252	168	220	336
%	96%	98%	93%	95%	96%	4%	2%	7%	5%	4%					
$ Amount	13,245,563	16,935,559	8,907,898	11,416,242	21,389,425	294,695	449,300	588,329	559,250	811,400	13,540,258	17,384,859	9,496,227	11,975,492	22,200,825
%	98%	97%	94%	95%	96%	2%	3%	6%	5%	4%					
Average	60,207	68,565	55,738	54,363	66,634	26,470	89,860	53,485	55,925	54,093	58,871	68,988	56,526	54,434	66,074
Additional Loans															
Number	54	66	42	59	134	2	4	3	3	5	56	70	45	62	139
%	96%	94%	93%	95%	96%	4%	6%	7%	5%	4%					
$ Amount	2,196,505	3,108,058	1,967,577	2,187,422	5,619,295	12,992	186,050	129,764	127,150	128,350	2,209,497	3,294,108	2,097,341	2,314,572	5,747,645
%	99%	94%	94%	95%	98%	1%	6%	6%	5%	2%					
Average	40,676	47,092	46,847	37,075	41,935	6,496	46,512	43,255	42,383	25,670	39,455	47,059	46,608	37,332	41,350
Total															
Number	274	313	199	269	455	12	9	14	13	20	286	322	213	282	475
%	96%	97%	93%	95%	96%	4%	3%	7%	5%	4%					
$ Amount	15,442,068	20,043,617	10,875,475	13,603,664	27,008,720	307,687	635,350	718,093	686,400	939,750	15,749,756	20,678,967	11,593,568	14,290,064	27,948,470
%	98%	97%	94%	95%	97%	2%	3%	6%	5%	3%					
Average	56,358	64,037	54,651	50,571	59,360	25,641	70,594	51,292	52,800	46,987	55,069	64,220	54,430	50,674	58,839

*Young Farmers are those 18 to 39 years of age

Table III

Summary of Programs

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1887-88	1988-89	1989-90
DIRECT LOANS					
No.	286	322	213	282	475
$ Amount	15,749,755	20,678,967	11,593,568	14,290,064	27,948,470
CORPORATE LOANS					
No.	2	4	-	3	6
$ Amount	224,814	987,188	(4,650)	393,779	381,862
CROWN LAND LOANS					
No.	6	7	3	1	6
$ Amount	49,155	102,110	21,150	11,070	42,610
STOCKER LOANS					
No.	111	132	89	83	111
$ Amount	3,138,303	4,075,439	3,426,905	2,568,734	3,622,504
MAN. BEEF STABILIZATION LOANS					
No.	291	200	91	69	6
$ Amount	4,641,930	3,041,666	1,503,905	1,293,800	175,600
REFINANCING PROGRAM REGULAR					
No.	71	33	9	13	3
$ Amount	7,012,963	4,008,446	706,050	1,209,162	437,992
CORPORATE					
No.	6	2	-	-	-
$ Amount	1,228,930	462,407	-	-	-
MANITOBA MEDIATION BOARD					
No.	-	-	8	11	3
$ Amount	-	-	805,450	866,981	149,500
FARM START					
No.	-	-	1	-	-
$ Amount	-	-	25,000	-	-
PART TIME FARMERS					
No.	2	17	8	11	18
$ Amount	266,600	1,083,600	349,200	515,900	837,750
MAN. INTEREST RATE RELIEF LOANS					
1st Yr. No.	7	-	-	-	-
$ Amount	35,551	379	-	-	-
2nd Yr. No.	206	5	-	-	-
$ Amount	1,148,198	36,303	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program					
Approvals	-	-	-	14	277
$ Amount	-	-	-	1,010,00	11,555,500
Transfers					
No.	-	-	-	98	245
$ Amount	-	-	-	6,762,800	22,553,800
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	181	100	99	52	-
$ Amount	8,331,500	5,146,000	5,155,000	2,773,500	-
Repeat Approvals					
No.	373	390	447	248	-
$ Amount	23,912,000	25,627,500	29,491,500	15,754,500	-
LAND SALES					
No.	6	18	16	91	99
$ Amount	299,870	1,128,406	757,132	4,058,476	3,951,447
FISH FARM					
No.	-	-	-	1	-
$ Amount	-	-	-	88,650	-
TOTAL					
No.	1,548	1,230	984	977	1,249
$ Amount	65,999,569	66,378,411	53,830,210	51,597,326	71,657,035

Table IV

Summary of Programs

Interlake Region

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1887-88	1988-89	1989-90
DIRECT LOANS					
No.	32	43	27	24	49
$ Amount	1,333,945	2,194,650	1,437,509	1,284,104	2,994,850
CORPORATE LOANS					
No.	-	1	-	1	-
$ Amount	-	154,600	-	152,000	-
CROWN LAND LOANS					
No.	4	2	2	1	3
$ Amount	36,380	37,450	13,790	11,070	20,890
STOCKER LOANS					
No.	6	15	15	8	17
$ Amount	194,583	507,120	495,557	114,588	474,592
MAN. BEEF STABILIZATION LOANS					
No.	45	24	15	12	-
$ Amount	836,546	463,052	291,900	284,700	-
REFINANCING PROGRAM					
REGULAR					
No.	10	7	1	-	-
$ Amount	974,981	691,015	130,200	-	-
CORPORATE					
No.	-	1	-	-	-
$ Amount	-	216,407	-	-	-
PART TIME FARMERS					
No.	-	5	1	4	2
$ Amount	-	249,050	87,000	181,250	87,800
MAN. INTEREST RATE RELIEF LOANS					
No.	43	1	-	-	-
$ Amount	225,428	6,218	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program					
Approvals					
No.	-	-	-	-	4
$ Amount	-	-	-	-	390,000
Transfers					
No.	-	-	-	4	27
$ Amount	-	-	-	385,800	1,759,500
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	10	9	6	3	-
$ Amount	375,000	365,000	217,000	85,000	-
Repeat Approvals					
No.	19	28	33	26	-
$ Amount	957,000	1,743,000	1,896,000	1,446,000	-
LAND SALES					
No.	2	2	3	7	7
$ Amount	98,700	99,437	138,600	210,001	339,642
LAND PURCHASES					
No.	-	-	-	-	-
$ Amount	-	-	-	-	-
TOTAL					
No.	171	138	103	90	109
$ Amount	5,032,563	6,726,999	4,707,556	4,154,513	6,067,274

Table V

Summary of Programs

Eastern Region

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1987-88	1988-89	1989-90
DIRECT LOANS					
No.	16	42	23	19	23
$ Amount	712,442	3,504,668	1,497,513	1,284,043	1,804,400
CORPORATE LOANS					
No.	1	1	-	-	3
$ Amount	50,500	200,000	-	-	318,400
CROWN LAND LOANS					
No.	1	1	1	-	1
$ Amount	(375)	6,920	7,360	-	7,500
STOCKER LOANS					
No.	10	10	5	5	2
$ Amount	348,421	288,250	184,075	211,021	98,490
MAN. BEEF STABILIZATION LOANS					
No.	21	10	7	2	-
$ Amount	351,807	75,590	114,900	21,000	-
REFINANCING PROGRAM					
REGULAR					
No.	6	1	1	1	-
$ Amount	757,232	182,337	123,500	63,540	-
CORPORATE					
No.	2	-	-	-	-
$ Amount	463,670	-	-	-	
MANITOBA MEDIATION BOARD					
No.	-	-	-	1	0
$ Amount	-	-	-	25,000	4,500
PART TIME FARMERS					
No.	-	1	3	-	-
$ Amount	-	46,800	168,550	-	-
MAN. INTEREST RATE RELIEF LOANS					
No.	11	-	-	-	-
$ Amount	63,982	-	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program Approvals					
No.	-	-	-	1	8
$ Amount	-	-	-	25,000	439,000
Transfers					
No.	-	-	-	1	16
$ Amount	-	-	-	90,000	873,000
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	11	4	4	5	-
$ Amount	563,000	98,000	215,000	225,000	-
Repeat Approvals					
No.	19	19	16	10	-
$ Amount	1,338,000	1,275,000	869,000	500,000	-
LAND SALES					
No.	2	4	2	15	13
$ Amount	129,800	321,100	122,998	776,439	308,222
FISH FARM					
No.	-	-	-	1	-
$ Amount	-	-	-	88,650	-
TOTAL					
No.	100	93	62	61	66
$ Amount	4,778,479	5,998,665	3,302,896	3,360,293	3,853,512

Table VI

Summary of Programs

Central Region

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1887-88	1988-89	1989-90
DIRECT LOANS					
No.	50	57	31	41	82
$ Amount	3,075,902	3,888,045	1,637,572	2,398,680	6,024,007
CORPORATE LOANS					
No.	-	-	-	-	2
$ Amount	5,314	(412)	(4,650)	(3,221)	106,477
CROWN LAND LOANS					
No.	-	-	-	-	-
$ Amount	-	-	-	-	-
STOCKER LOANS					
No.	25	26	24	25	21
$ Amount	922,559	1,025,656	1,125,113	1,045,836	899,468
MAN. BEEF STABILIZATION LOANS					
No.	55	43	16	14	2
$ Amount	795,863	614,627	286,600	272,800	45,000
REFINANCING PROGRAM					
Regular					
No.	5	2	-	1	-
$ Amount	521,750	233,000	-	173,000	-
MANITOBA MEDIATION BOARD					
No.	-	-	1	4	-
$ Amount	-	-	110,000	358,553	-
PART TIME FARMERS					
No.	-	6	-	-	-
$ Amount	-	373,700	-	-	-
MAN. INTEREST RATE RELIEF LOANS					
No.	56	2	-	-	-
$ Amount	313,761	10,642	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program					
Approvals					
No.	-	-	-	4	36
$ Amount	-	-	-	270,000	2,225,000
Transfers					
No.	-	-	-	42	118
$ Amount	-	-	-	2,857,000	8,940,000
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	48	34	46	15	-
$ Amount	2,207,000	1,810,000	2,777,000	790,000	-
Repeat Approvals					
No.	75	94	135	77	-
$ Amount	5,901,000	7,180,000	10,196,000	5,732.500	-
LAND SALES					
No.	-	2	2	16	14
$ Amount	-	86,836	72,753	1,076,116	593,172
TOTAL					
No.	314	266	255	239	275
$ Amount	13,743,149	15,222,094	16,200,388	14,971,264	18,833,124

Table VII

Summary of Programs

South Western Region

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1887-88	1988-89	1989-90
DIRECT LOANS					
No.	120	125	79	131	207
$ Amount	7,386,122	8,165,989	4,476,386	6,477,846	12,174,113
CORPORATE LOANS					
No.	1	2	-	-	2
$ Amount	169,000	633,000	-	-	141,985
CROWN LAND LOANS					
No.	-	1	-	-	-
$ Amount	-	21,070	-	-	-
STOCKER LOANS					
No.	53	65	31	35	48
$ Amount	1,305,099	1,803,621	1,152,968	915,206	1,608,190
MAN. BEEF STABILIZATION LOANS					
No.	80	61	33	16	1
$ Amount	1,274,199	1,074,897	508,905	371,800	29,600
REFINANCING PROGRAM REGULAR					
No.	34	18	6	9	2
$ Amount	3,522,065	2,214,522	380,150	837,022	282,000
CORPORATE					
No.	4	-	-	-	-
$ Amount	765,260	-	-	-	-
MANITOBA MEDIATION BOARD					
No.	-	-	4	4	1
$ Amount	-	-	359,600	309,892	40,000
PART TIME FARMERS					
No.	2	5	4	7	14
$ Amount	226,600	414,050	93,650	334,650	638,450
MAN. INTEREST RATE RELIEF LOANS					
No.	45	1	-	-	-
$ Amount	253,569	12,762	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program Approvals					
No.	-	-	-	4	89
$ Amount	-	-	-	235,000	5,122,800
Transfers					
No.	-	-	-	31	161
$ Amount	-	-	-	2,208,000	9,853,000
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	81	42	37	23	-
$ Amount	3,657,500	2,275,000	1,707,000	1,268,500	-
Repeat Approvals					
No.	167	170	198	103	-
$ Amount	10,272,000	10,218,000	12,467,000	6,410,500	-
LAND SALES					
No.	2	5	5	38	47
$ Amount	71,370	512,000	210,991	1,379,767	2,108,826
TOTAL					
No.	589	495	397	401	572
$ Amount	28,902,784	27,344,911	21,356,650	20,748,183	31,998,964

Table VIII

Summary of Programs

North Western Region

For the Five Years Ended March 31, 1990

	1985-86	1986-87	1887-88	1988-89	1989-90
DIRECT LOANS					
No.	68	55	53	67	114
$ Amount	3,241,344	2,925,615	2,544,488	2,845,391	4,951,100
CORPORATE LOANS					
No.	-	-	-	2	(1)
$ Amount	-	-	-	245,000	(185,000)
CROWN LAND LOANS					
No.	1	3	-	-	2
$ Amount	13,150	36,670	-	-	14,220
STOCKER LOANS					
No.	17	16	14	10	23
$ Amount	367,641	450,792	469,192	282,083	541,764
MAN. BEEF STABILIZATION LOANS					
No.	90	62	20	25	3
$ Amount	1,383,515	813,500	301,600	343,500	101,000
REFINANCING PROGRAM					
REGULAR					
No.	16	5	1	2	1
$ Amount	1,236,935	687,572	72,200	135,600	155,992
CORPORATE					
No.	-	1	-	-	-
$ Amount	-	246,000	-	-	-
MANITOBA MEDIATION BOARD					
No.	-	-	3	2	2
$ Amount	-	-	335,850	122,846	105,000
FARM START					
No.	-	-	1	-	-
$ Amount	-	-	25,000	-	-
PART TIME FARMERS					
No.	-	-	-	-	2
$ Amount	-	-	-	-	111,500
MAN. INTEREST RATE RELIEF LOANS					
No.	58	1	-	-	-
$ Amount	327,009	7,060	-	-	-
GUARANTEED LOANS					
- Guaranteed Operating -new program Approvals					
No.	-	-	-	5	17
$ Amount	-	-	-	480,000	1,340,000
Transfers/Renewals					
No.	-	-	-	20	46
$ Amount	-	-	-	1,222,000	3,167,000
- Guaranteed Operating - to Dec./88					
Initial Approvals					
No.	31	11	6	6	-
$ Amount	1,529,000	598,000	239,000	405,000	-
Repeat Approvals					
No.	93	79	65	32	-
$ Amount	5,444,000	598,000	4,063,500	1,665,500	-
LAND SALES					
No.	-	5	4	15	18
$ Amount	-	109,033	211,790	616,153	601,585
TOTAL					
No.	374	238	167	186	227
$ Amount	13,542	11,085,742	8,262,720	8,363,073	10,904,161

Manitoba

The Manitoba Agricultural Credit Corporation

Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A to E and Schedule 1, of THe Manitoba Agricultural Credit Corporation for the fiscal year ended March 31, 1990. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Note 2 a) iii) reflects that the Corporation's unfunded pension liability as at March 31, 1990 was $3,140,534 (1989 - $2,784,795). Had this unfunded pension liability and the associated pension costs been recorded in the financial statements, the Corporation's liabilities would have increased by $3,140,534 (1989 - $2,784,795), the deficit would have increased by that amount, and the corporation's pension cost would have increased by $355,739 for the year ended March 31, 1990 (1989 - $338,099).

In our opinion, except for the failure to record the information referred to in the preceding paragraph, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations and its receipts and disbursements for the year then ended in accordance with the accounting policies disclosed in note 2 applied on a basis consistent with that of the preceding year.

August 3, 1990
Winnipeg, Manitoba

F. H. Jackson, CA,
Provincial Auditor.

Exhibit A
The Manitoba Agricultural Credit Corporation
Balance Sheet
as at March 31, 1990

Assets
The Agricultural Credit Corporation Act

	1990	1989
Cash (note 3)	$9,183,327	$4,878,810
Accounts receivable (Note 4)	1,059,129	1,677,180
Other receivables (Note 9 a)):		
Stocker program advances (Note 5)	2,177,121	2,180,291
Mortgages, chattels and agreements for sale (Note 6)	211,835,874	207,730,706
Promissory notes (Note 7)	191,599	292,325
Security agreements (Note 8)	170,376	759,048
	214,374,970	210,963,000
Real estate (Notes 10 and 13)	23,243,145	20,145,000
Unamortized debt discount and expense	36,608	42,975
	247,897,179	237,706,965
Part III of The Fisheries Act		
Cash on deposit with the Minister of Finance	571,525	23,277
Prepaid expenses	3,440	3,067
Loans receivable (Note 9 b))	7,729,354	6,161,972
	8,304,319	6,188,316
	$256,201,498	$243,895,281

APPROVED ON BEHALF OF THE BOARD

Director

Director

Liabilities and Deficit
The Agricultural Credit Corporation Act

	1990	1989
Accounts payable:		
The Province of Manitoba	$ 323,980	$ 474,118
Other	1,783,833	1,211,039
	2,107,813	1,685,157
Provision for losses on guaranteed operating loans (Note 15 b))	1,362,866	1,434,191
Advances from the Province of Manitoba (Note 11 a))	251,847,670	248,346,046
Deficit account (Note 12 a)):		
Balance at beginning of year	(13,758,429)	(13,825,998)
Excess of revenue over expenditure, Exhibit B	6,337,259	67,569
Balance at end of year	(7,421,170)	(13,758,429)
	247,897,179	237,706,965
Part III of The Fisheries Act		
Accounts payable	13,405	7,497
Advances from the Province of Manitoba (Note 11 b))	8,705,775	6,579,133
Deficit account (Note 12 b)):		
Balance at beginning of year	(398,314)	(393,910)
Excess of expenditure over revenue, Exhibit C	(16,547)	(4,404)
Balance at end of year	(414,861)	(398,314)
	8,304,319	6,188,316
	$256,201,498	$243,895,281

The accompanying notes are an integral part of these financial statements

Exhibit B

THE MANITOBA AGRICULTURAL CREDIT CORPORATION
The Agricultural Credit Corporation Act
Statement of Revenue and Expenditure
for the year ended March 31, 1990

	1990	1989
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$ 18,409,854	$ 20,052,830
Promissory notes	98,994	118,177
Stocker program advances	278,965	267,115
Security agreements	72,074	103,845
Cash on deposit with the Minister of Finance	49,178	39,120
Term deposits with the Minister of Finance	785,851	1,074,307
	19,694,916	21,655,394
Real estate (Note 13)	1,932,776	1,647,184
Other	29,316	29,924
	21,657,008	23,332,502
Expenditure:		
Administration, Schedule 1	7,228,352	10,504,639
Financing charges, net		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	23,600,869	24,038,454
	30,829,221	34,543,093
Less:		
Amount assumed by the Province of Manitoba (Note 2 b))	15,509,472	11,278,160
	15,319,749	23,264,933
Excess of revenue over expenditure, Exhibit A	$ 6,337,259	$ 67,569

The accompanying notes are an integral part of these financial statements

Exhibit C

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act

Statement of Revenue and Expenditure

for the year ended March 31, 1990

	1990	1989
Revenue:		
Loan interest	$ 762,875	$ 628,705
Grant from the Province of Manitoba re administration costs (Note 2 b))	664,999	323,677
	1,427,874	952,382
Expenditure:		
Administration costs:		
Salaries	276,068	270,838
Audit fees	11,460	5,740
Bad debts (Note 9 b))	34,641	37,200
Collection expenses	1,164	2,432
Data processing	4,993	5,013
Employee benefits	30,048	26,865
Furniture and fixtures	3,552	227
Health and post secondary education levy	5,081	5,098
Miscellaneous	255	355
Postage	1,597	1,843
Rental of office premises	17,975	16,261
Stationery, supplies and equipment rentals	8,033	8,559
Telephone	13,350	12,632
Travelling	23,583	16,913
Workers compensation	2,367	2,734
	434,167	412,719
Financing charges:		
Interest on advances from Province of Manitoba	1,010,254	544,067
	1,444,421	956,786
Excess of expenditure over revenue, Exhibit A	$ 16,547	$ 4,404

The accompanying notes are an integral part of these financial statements

Exhibit D Page 1

The Manitoba Agricultural Credit Corporation
The Agricultural Credit Corporation Act

Statement of Receipts and Disbursements

for the year ended March 31, 1990

	1990	1989
Receipts:		
Advances from the Province of Manitoba	$28,000,000	$19,000,000
Collection on account of mortgages, chattels and agreements for sale:		
Principal	8,121,937	8,003,143
Interest	25,243,122	22,961,803
Other charges	1,894,072	1,130,706
	35,259,131	32,095,652
Collections on account of promissory notes:		
Principal	33,878	106,495
Interest	120,999	125,818
	154,877	232,313
Collections on account of stocker program advances receivable:		
Principal	3,302,341	3,617,754
Interest	261,472	258,540
	3,563,813	3,876,294
Collections on account of security agreements receivable:		
Principal	857,686	2,200,104
Interest	84,270	134,592
	941,956	2,334,696
Collections on account of Manitoba Interest Rate Relief Program (Note 16):		
Principal	601,763	648,821
Interest	308,724	396,724
	910,487	1,045,545
Interest:		
On cash on deposit with the Minister of Finance	49,178	39,120
On term deposts with the Minister of Finance	785,851	1,074,307
	835,029	1,113,427
Carried forward	$69,665,293	$59,697,927

	1990	1989
Disbursements:		
Mortgages and agreements for sale	$26,582,331	$12,188,985
Promissory notes	2,170	5,897
Stocker program	3,382,430	3,176,537
Land and building purchases	4,020	11,191
Security agreements	316,579	1,957,247
Sundry charges on account of mortgages	1,613,679	782,383
Taxes charged on land leasing	98,782	85,411
Young farmer rebates	2,276,410	1,651,346
Financing charges paid to the Province of Manitoba		
Interest on advances and service charges, net	15,969,528	18,342,661
Payment to the Province of Manitoba of collections on account of Manitoba Interest Rate Relief Program (Note 16):		
Principal	776,119	549,395
Interest	282,741	386,230
	1,058,860	935,625
Carried forward	$51,304,789	$39,137,283

Exhibit D Page 2

The Manitoba Agricultural Credit Corporation
The Agricultural Credit Corporation Act

Statement of Receipts and Disbursements

for the year ended March 31, 1990

	1990	1989
Receipts:		
Brought forward	$69,665,293	$59,697,927
Proceeds from term deposits	21,300,000	29,125,000
Proceeds from sale of real estate	4,701,734	3,129,712
Collections on account of land leasing	1,640,392	1,540,206
Administration costs - Manitoba Interest Rate Relief Program (Note 16)	36,103	33,246
Miscellaneous	225,192	104,612
Trust account: Insurance claim proceeds	32,800	5,000
Total cash receipts	97,601,514	93,635,703
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	4,878,810	2,877,140
	$102,480,324	$ 96,512,843

	1990	1989
Disbursements:		
Brought forward	$51,304,789	$39,137,283
Repayment of capital advances to Province of Manitoba	16,534,304	17,804,522
Purchase of term deposits	21,300,000	29,125,000
Administration costs	4,151,312	5,199,617
Miscellaneous	6,592	367,611
Total cash disbusements	93,296,997	91,634,003
Cash on hand, in bank and on deposit with the Minister of Finance at end of year	9,183,327	4,878,810
	$102,480,324	$ 96,512,843

The accompanying notes are an integral part of these financial statements

Exhibit E

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act

Statement of Receipts and Disbursements

for the year ended March 31, 1990

	1990	1989
Receipts:		
Province of Manitoba:		
Advances	$ 2,150,000	$ 1,850,000
Grant re administration costs	641,640	290,881
	2,791,640	2,140,881
Collections on account of loans:		
Principal	3,621,501	3,753,594
Interest	661,992	566,056
Interest from Province of Manitoba	-	24,574
	4,283,493	4,344,224
Total cash receipts	7,075,133	6,485,105
Cash on deposit with the Minister of Finance at beginning of year	23,277	16,696
	$ 7,098,410	$ 6,501,801
Disbursements:		
Loans	$ 5,127,511	$4,558,206
Administration costs	481,250	376,251
Interest on advances from the Province of Manitoba	918,124	544,067
Repayment of advance to the Province of Manitoba	-	1,000,000
Total cash disbursements	6,526,885	6,478,524
Cash on deposit with the Minister of Finance at end of year	571,525	23,277
	$ 7,098,410	$ 6,501,801

The accompanying notes are an integral part of these financial statements

Schedule 1

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act

Schedule of Administration Expenditure

for the year ended March 31, 1990

	1990	1989
Salaries	$ 1,756,792	$ 1,789,583
Advertising	35,677	33,476
Audit fees	64,940	32,530
Bad debts (Note 9 a))		
- promissory notes	43,577	113,873
- mortgages, chattels and agreements for sale	2,674,819	5,989,719
- stocker program	101,382	37,441
- land lease program	111,221	(66,991)
- security agreements -	33,702	(35,988)
Collection expenses	5,133	1,167
Data processing	49,245	48,269
Directors' fees and expenses	43,660	35,873
Ear tags	(409)	(589)
Employee benefits	170,451	154,640
Guaranteed loan losses	605,961	987,839
Insurance	17,888	14,798
Health and post secondary education levy	41,285	41,653
Messenger service	3,549	3,647
Office furniture and equipment	30,599	17,012
Office rental, cleaning, light and power	162 ,263	147,905
Postage	25,800	26,470
Professional fees	52,079	21,430
Property taxes	489,725	394,750
Real estate maintenance	11,626	15,809
Relocation expenses	3,908	4,417
Stationery, office supplies and equipment rental	60,444	59,462
Telephone	56,766	48,224
Travelling	123,951	100,117
Workers compensation	18,549	21,813
Assistance under the Manitoba Mediation Board Program	430,947	464,085
Total administration expenditure, Exhibit B	$ 7,228,352	$ 10,504,639

The accompanying notes are an integral part of these financial statements

The Manitoba Agricultural Credit Corporation
Notes to the Financial Statements
for the year ended March 31, 1990

1. **Nature of Operations**
The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1987.

The Corporation carries out the following programs:

a) It Provides and administers financial assistance to farmers to assist in the development of farms under its Act;

b) It provides and administers loans to commercial fishermen under the Fisheries Act, being Chapter F-90 of the Revised Statutes of Manitoba, 1987;

and the Corporation accounts for each of these programs separately.

2. **Significant Accounting Policies**

a) The Corporation operates on the accrual basis of accounting except for the following:
   i) Equipment and office furniture are charged to operations in the year of acquisition.
   ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired.
   iii) In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $3,140,534 at March 31, 1990 (1989 - $2,784,795).
   iv) In accordance with the procedures followed by the Province of Manitoba, the Corporation's account with the Minister of Finance is held open until May 15, to reflect transactions recorded by the Province as of March 31.
   v) The Government of the Province of Manitoba provides the services of legal counsel, computer system programmer/analysts and other miscellaneous administrative services at no charge to the Corporation. The costs of these services is estimated to be approximately $110,000 (1989 - $100,00). These costs are not reflected in these financial statements.

b) In accordance with the Acts under which it operates, the amounts by which the expenditures of the programs it administers exceed the related revenues may be recovered from the Province of Manitoba from its appropriations.

c) The allowances for doubtful accounts relate to loans and accounts receivable, are determined on an individual account basis, and represent an estimate of probable losses on the accounts outstanding at year end as shown in note 9. Actual losses on loans and accounts receivable are charged to the allowance when written off by Board resolution. The adjustment of the allowances to the required level is charged to administration expenditure as bad debts.

3. **Cash**
Cash consisted of the following at March 31:

	1990	1989
On hand and in bank	$ 184,930	$ 109,675
On deposit with the Minister of Finance (Note 2 a) iv))	8,998,397	4,769,135
	$ 9,183,327	$ 4,878,810

4. **Accounts Receivable**
Accounts receivable consisted of the following at March 31:

	1990	1989
Rent (Note 9 a))	$ 571,714	$ 556,457
Sale of real estate	682,654	1,299,860
Conditional incentive grants and accrued interest	14,792	14,792
Other	17,536	17,302
	1,286,696	1,88,411
Less: allowance for doubtful accounts	227,567	211,231
	$ 1,059,129	$ 1,677,180

5. **Stocker Program Advances Receivable**
Stocker program advances receivable consisted of the following at March 31:

	1990	1989
Renewable interest bearing advances, 14 month term	$ 2,508,529	$ 2,481,060
Interest bearing advances under programs discontinued in 1975-76	21,117	20,720
Interest bearing advances under programs discontinued in 1974-75	-	1,185
Accrued interest	114,996	107,244
	2,644,642	2,610,209
Less: allowance for doubtful accounts	467,521	429,288
	$ 2,177,121	$ 2,180,921

4. **Mortgages, Chattels and Agreements for Sale Receivable**
A summary of mortgages, chattels and agreements for sale receivable by years in which the installments become due is as follows:

Receivable Within:	**1990**	**1989**
1 year		
Accrued interest	$ 10,444,253	$ 10,763,813
Arrears	10,580,436	15,488,284
Prepayments	(7,449,662)	(7,826,548)
Regular installments	8,886,818	8,754,679
	22,461,845	27,180,228
2 years - regular installments	9,279,724	9,025,500
3 years - regular installments	8,968,487	9,345,334
4 years - regular installments	9,160,014	8,979,996
5 years - regular installments	9,605,118	9,025,792
Over 5 years - regular installments	161,264,918	159,423,040
	220,740,106	222,979,890
Less: allowance for doubtful accounts	8,904,232	15,249,184
	$211,835,874	$207,730,706

7. **Promissory Notes Receivable**
Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. This program was terminated in December, 1978. A summary of promissory notes receivable by years in which the installments become due is as follows:

Receivable Within:	1990	1989
1 year		
Accrued interest	$ 52,626	$ 59,903
Arrears	490,823	557,397
Prepayments	(12,957)	(15,425)
Regular installments	58,559	71,414
	589,051	673,289
2 years - regular installments	58,118	66,050
3 years - regular installments	61,523	65,222
4 years - regular installments	41,834	68,543
5 years - regular installments	22,841	47,241
Over 5 years - regular installments	13,308	37,290
	786,675	957,635
Less: allowance for doubtful accounts	595,076	665,310
	$ 191,599	$ 292,325

8. **Security Agreements Receivable**
Security agreements receivable consist of advances made to farmers who are registered with the Manitoba Beef Commission and total $300,021 (1989 - $865,335) less the allowance for doubtful accounts of $129,645 (1989 - $106,287). These advances are mainly repayable to the Corporation within fourteen months of disbursement.

At March 31, 1990, accrued interest of $21,770 (1989 - $33,784) and arrears of $219,270 (1989 - $160,918) are included in the total security agreements receivable.

9. **Allowance for Doubtful Accounts**
Asset Account balances are shown net of the following allowances for doubtful accounts (Note 2 c)):

Asset	Allowance March 31/89	Adjustment Required 1989-90	Accounts Written - Off 1989-90	Required Allowance March 31/90
a) The Agricultural Credit Corporation Act:				
Accounts receivable - rent	$ 211, 231	$ 111,221	$ 94,885	$ 227,567
Stocker program	429,288	101,382	63,149	467,521
Mortgages, chattels and agreements	15,249,184	2,674,819	9,019,771	8,904,232
Promissory notes	665,310	43,577	113,811	595,076
Security agreements	106,287	33,702	10,344	129,645
	$16,661,300	$ 2,964,701	$ 9,301,960	$10,324,041
b) Part III of The Fisheries Act: Loans receivable	$ 426,603	$ 34,641	$ 18,094	$ 443,150

10. **Real Estate**
Real Estate consists of purchases for the land lease program at cost, and foreclosures and quit claims, at the lower of the foreclosed amounts and quit claims amounts or appraised values at acquisition date. Approximately 99% of this real estate has been leased, approximately 92% of which is subject to an option to purchase.

11. **Advances from the Province of Manitoba**
These advances consisted of the following at March 31:

	1990	1989
a) The Agricultural Credit Corporation Act:		
Advances repayable in equal annual blended principal and interest installments:		
Rates range from 7.5% to 13.125%	$ 242,997,670	$239,496,046
Advances repayable at maturity:		
12.74% due March 3, 2000	8,850,000	8,850,000
	$251,847,670	$248,346,046
Maturities of principal by fiscal year are as follows:		
1990	$ -	$ 17,792,569
1991	18,351,147	16,183,608
1992	16,230,230	13,159,499
1993	15,650,935	14,171,895
1994	12,871,633	13,063,015
1995	13,189,722	13,416,616
1996 through 2020	175,554,003	160,558,844
	$251,847,670	$248,346,046
b) Part III of The Fisheries Act:		
Advances repayable on demand, interest payable at prime rates	$ 8,705,775	$ 6,579,133

12. **Deficit Accounts**

a) The Agricultural Credit Corporation Act

The accumulated deficit arises out of the fact that the Province provides funds only on accounts receivable actually written off by the Corporation, but not those for which only an allowance for doubtful accounts has been provided.

b) Part III of The Fisheries Act

The accumulated deficit arises out of the fact that the Province provides funds only on accounts receivable actually written off by the Corporation, but not those for which only an allowance for doubtful accounts has been provided.

13. **Sale of Real Estate**

During the year ended March 31, 1990, the Corporation sold seventy-three of its properties. The results were as follows:

	Number	Sales Proceeds	Cost	Gain (Loss)
Sales to Lessees	21	$1,258,197	$1,276,479	$(18,282)
Sales by Public Tender	52	2,722,761	2,602,478	120,283
	73	$3,980,958	$3,878,957	$ 102,001

The total gain of $102,001 (1989 - $93,445) has been included in real estate revenue of $1,932,776 (1989 - $1,647,184). Cost reflected above has been determined in accordance with the valuation method described in note 10. Associated rental revenue and carrying costs have been included in the Statement of Revenue and Expenditure.

The Manitoba Agricultural Credit Corporation
Notes to the Financial Statements
for the year ended March 31, 1990

14. **Loans Approved but not Disbursed**
These loans amounted to the following at March 31:

	1990	1989
a) The Agricultural Credit Corporation Act:		
Mortgages, Chattels and agreements for sale:		
Direct loans	$ 9,108,771	$ 5,802,523
Corporate loans	614,434	472,402
Refinancing program - regular	588,803	223,424
Part-time farmers	148,593	327,550
Land lease program	602	5,814
Crown land loans	9,150	-
Mediated loans	105,000	185,846
	10,575,353	7,017,559
Stocker program advances	1,223,063	909,537
Security agreements	-	82,700
	$11,798,416	$ 8,007,796

The Corporate loans amount includes $315,447 (1989 - $276,020) which represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:		
Direct loans	$ 369,105	$ 285,400

15. **Contingent Liabilities**

At March 31, 1990, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation fully guarantees loans to individuals for the purpose of farming. The last of these guarantees was given during the 1982-83 fiscal year. At March 31, 1990, these guaranteed loans amounted to $325,312 (1989 - $468,556). No provision for this contingency has been made in the financial statements since no loans under this program are in default.

b) Effective April 1, 1983, a Guaranteed Operating Loan program was introduced. Under this program the Corporation guarantees 12 1/2% of the aggregate total guaranteed loans made by each participating lending institution. As of March 31, 1990, the Corporation's contingent liability amounted to $4,263,663 (1989 - $3,424,603). A partial provision for this contingency has been made in the financial statements in the amount of $1,362,866 (1989 - $1,434,191).

16. **Manitoba Interest Rate Relief Program**

The Corporate administers the agricultural portion of the Manitoba Interest Rate Relief Program for the Province of Manitoba. The Province has provided grants and deferred recoverable advances to farmers under this program which was initiated during the 1982-83 year. The Corporation monitors compliance with the conditions of the program, collects amounts due and remits them to the Province.